**Excerpts from Proceedings in Case No. U-4257**

[3128] *Cross-Examination by Mr. Turner:**

Q. Mr. Kelley, my name is Turner. I am City Attorney for Ferndale, one of the cities that used to have a customer service office.

You are the Assistant Manager of Customer Services, I understand, and I wonder if you could give me the categories of customers that that office serves? A. That my position entails or that office?

Q. No, your work under Mr. Milby. I am talking about that office that Mr. Milby has. What are the categories of customers that are served by that office? A. The functions that come under the Manager of Customer Services would be our customer offices, our appliance repair, our lamp exchange programs within the offices, our fuse work, and all of our field people that go out to do meter work and fuse work, things of this nature, meter reading in the districts—that excludes the City of Detroit—and certain field representatives . . .

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[3413] *Cross Examination of Mr. Kelley Continued*

Q. Is your department responsible for the light bulb service provided by Detroit Edison to its customers? A. Yes, the customer service division of the Marketing Department is responsible for the lamp exchange program that we have.

Q. The Company discontinued some time during 1972 the providing of free 25 watt light bulbs to its customers—did it not? A. Yes, for a very short period.

*The bracketed numbers refer to the page of the proceeding.

Q. Approximately what date in 1972 did that discontinuance take place? A. I think I would have to go to the records, Mr. Anderson.

I believe it was sometime in the early part of the year, [3414] but the date—I can obtain it readily if it is necessary.

Q. Well, that is close enough. You say the early part of the year. Now, the 25 watt lamp was placed back on the exchange list in December of 1972; is that correct? A. It was placed back on the exchange list; again, I am not sure of that particular date.

Q. I show you a response to our question No. 30 to the Company on informal discovery concerning that matter, and that indicates, does it not, that it was December 1972 that the 25 watt lamp came back on to the exchange list? A. Certainly this is what it says in this, yes.

Q. You weren't responsible for answering of the interrogatories or discovery requests? A. Yes, I was.

Q. But not that particular one? A. I was responsible for collecting and putting the answers together that you are discussing, but I did not get into the specific records, but I would assume certainly and I believe the December 1972 is correct, yes.

Q. Why was that lamp put back on the exchange list in December? A. Well, I think we have to go back to really the purpose of the lamp exchange in various sizes. Our purpose really is to meet the needs of the customers and what they request, [3415] and I believe the figures showed the volume was going down relative to total exchange, and it was felt that the 25 watt lamp did not serve as much of a purpose as it did in the past and it was discontinued. However, I think we were wrong in our judgment, that we did have a fair number of people that did request it, that they were using them in multiple fixtures, this type of thing, and we did reinstitute it based on feelings that the customer was using the 25 watt and still needed it and so we reinstituted it.



Q. During 1972 you also discontinued the 50-150 watt lamp from your list of exchange lamps, did you not? A. This is correct.

Q. When did that occur? A. I believe at the same time as the 25 watt. Again, I do not have the exact date.

Q. A 50-150 watt bulb is a three-way bulb, is it? A. This is correct. It is actually a 50, 100, 150 of the three wattages.

Q. Was that burned with the socket down or the socket on top? A. That would burn with the socket down as a typical lamp or used in a typical table lamp, three-way table lamp.

[3416] Q. Now, you intend to restore that lamp to the exchange list as soon as another shipment of bulbs comes in from the manufacturer; is that correct? A. Yes, that is correct.

Q. Has that shipment come in yet? A. I would have to check. I am not sure. Very possibly it has. The manufacturer of the lamps gives us pretty good service.

Q. Why was that lamp discontinued during 1972? A. Again, the manufacturers have come out with the 50-250 lamp, and the number of exchanges in the 50-150 has been dropping off, and we felt again that the other three-way lamp would be taking its place.

However, there are lamps of the manufacturers that cannot accept the 50-250 and, therefore, again, it was felt that this was dropping and it could be eliminated.

So we were not aware of the fact of this situation, so we are bringing it back also, because the 50-250 will not fit in certain lamps.

Q. When you discontinued the 50-150, then the smallest three-way bulb that you had for exchange was the 50-250,

wasn't it? A. Yes. Again, that is a three-way that would burn 50, 200, [3417] 250.

Q. Yes. And wasn't the effect of that change to bring about more electric usage by Edison's customers? A. No, I don't think so.

Q. Well, if a man can't replace his 50-150 in his table lamp at home with the same bulb, but has to use a 50-250, he's going to burn considerably more electricity, isn't he? A. For which purpose, now?

Q. For lighting his chair while he reads the newspaper. A. Well, if he wants it for lighting while he reads, what wattage should we presume that he has it on in a three-way bulb?

Q. I would think it wouldn't matter. Wouldn't the answer be the same, unless he was using it at the 50 watt level?

A. The thing I'm getting at is that you could put a 100 watt in it or you could put a 150 watt in it. If that was the case—the purpose of the high wattage in the first place is to enable you to do a better job of reading, because that is the task that you have at hand. Now, the 50-watt is the same in either case. If you're using it for a night light or just to get some light into the room to move around in it, then they are both the same. But if you want it for reading, readings newspapers [3418] and this type of seeing task, my offhand opinion would be that a 200 watt would do a better job for you than a 150 or a 100. I am going to ask again, why would you switch it to a 100 and a 150 if you need more light to read by?

Examiner Sullivan: But the result would be, if you use the 250 watt, you would be using more electricity?



A. That would be the result. I think Mr. Anderson asked what was the purpose of the change.

Examiner Sullivan: No. He asked whether it would result in the use of more electricity.

A. Oh, yes. For the same length of time, certainly, the high wattage lamp would consume more electricity, more kilowatt-hours, than would a lower wattage bulb.

Q. (By Mr. Anderson, continuing) During the period in which the 50-150 bulb was withdrawn from the exchange program, what type of a lamp could a customer use in his table lamp to replace the 50-150 when it burned out? A. Are you referring to the fact that maybe we are out of stock of the 150-150 lamps, then what lamp would he use?

Q. You said you discontinued the 50-150 early in 1972, and I am asking you what replacement bulb was then offered that the customer could substitute for it. [3419] A. The only replacement three-way bulb would be the 50-250. However, the three-way sockets will operate with any size lamp, really. You just don't have the choices of three-way. That is, he could have put a 100 in it, he could have put the 150 in. He would not, of course, have the 50 watt for the load, but he could have substituted any one of those, yes. In fact, that is what many customers do if they don't have one on hand. They will put a normal lamp in there other than a three-way.

Q. Will a 100 watt bulb burn properly for its normal life with its socket down? A. Yes, it will.

Q. At one time you offered 50 watt bulbs, did you not?

A. That is correct.

Q. And now that has been replaced by 60 watt bulbs? A. The 50 watt lamp as an exchange lamp was discontinued. The 60 watt is now the—outside of the 25. It would go from 25 to the 60.

Q. Actually, the 50 watter was replaced with a 60 watter, wasn't it? A. Well, I don't know how you can say—

Examiner Sullivan: (Interposing) Was it replaced or did you have both?

A. Well, I believe we have both. I am not sure of the [3420] exact dates here. We had both for a short while, and then we discontinued the 50, so that this left us the 60. Now, I would have to go back to that, Mr. Anderson, to be sure of the exact dates that these were phased out.

Q. This indicates that in 1963 you had a 25 watt, a 50 watt, a 75 watt, and 100 watt bulb in your four smallest type of normal bulbs. Right? A. That is correct.

Q. Then in 1969 the 50 watt lamp was replaced by the 60 watt lamp; correct? A. This is correct. However, there would be an overlapping time period in the stocking situation. We would phase one out over a period of months, usually.

Q. What's a rough service lamp? A. A rough service lamp has a specially constructed filament to be able to take mechanical abuse, such as the extension—use of the lamp in an extension cord. The normal lamp does not have a filament structure to be able to take this type of abuse, and usually it would fail.

Q. In 1971, the year before you discontinued the 25 watt lamp and the 50-150 watt lamp, the two of them together constituted about 9 percent of your total lamp exchanges, didn't they? [3421] A. May I read this? (Indicating)

Q. Yes, sure. I thought you had. A. Well, I have, but I can't remember the exact figure.

Examiner Sullivan: How much longer will you be, Mr. Anderson?

Mr. Anderson: I have got about three more questions for this witness.



Examiner Sullivan: We will finish with him before we break, then.

The Witness: Would you repeat the question again in relation to these figures?

Q. (By Mr. Anderson, continuing) Yes. In 1971, the 25 watt lamp and the 50-150 watt lamp together represented about 9 percent of your total lamp exchanges? A. That is correct, yes.

Q. What is the difference in cost to The Detroit Edison Company between a 50-150 bulb and a 50-250 watt bulb? A. I am not exactly sure what the cost difference is. They may very well be the same. Several of the smaller wattage lamps—for instance, the 60, the 75, and the 100 are all the same price. I believe the same may be true of the 50-150 and 50-250. But I would have to check to be sure.

Q. At the time those two bulbs were discontinued in 1972, [3422] the smallest lamp then available upon exchange was the 60 watt bulb; is that correct? A. Yes. After the 25 was discontinued, yes. However, as I mentioned, I think, earlier, there was a very, very short period in there, as we ran out of stock—we discontinued this in the early part of '71, but the stock of the 25 stayed in for a considerable length of time, that is, we were still passing it out to get rid of stock. So the time interval between not having any 25's available and the time the 25 was reinstituted on the exchange list, that time interval was very short.

Q. What's the difference in cost to the Company between the 25 watt and the 60 watt bulbs respectively? A. I would have to look that up, Mr. Anderson. The 25 watt is a 2500-hour light lamp. Its principal use is for night time type burning. It is not a lamp of adequate size to be able to do any reading by or anything like this. So it is a longer light lamp in that respect. It is also used in per-

haps locations where it is difficult to change the lamp, and it has about twice the life of a normal lamp.

Q. So that— A. (Interposing) But the cost I am not sure of.

Q. So when the 25 watt lamp was discontinued and the smallest [3423] size was 60 watts, the customer who wanted to have a night light on all night would not only have to burn about two and a half times as much electricity using the 60 watter instead of the 25 watter, but the Company would also have to provide about twice as many bulbs as formerly because of the shorter life of the 60 watt bulb. Is that right?

Mr. Hogg: I don't think the question is completely correct, Mr. Anderson. I think I know what you're getting at, but not the way it's phrased. Mr. Kelley said when it was discontinued, thereafter such and such would happen. Mr. Kelley indicated there continued to be a stock of 25 watt bulbs.

Mr. Anderson: He testified there was at least a short period where they were out of 25 watts and hadn't reinstituted a policy of providing 25 watts. Whatever that period was, that is what I'm asking him.

Examiner Sullivan: I assume it would be while while they had no 25 watts.

A. I am not sure you could make the assumption that the customer would necessarily use a 60 watt lamp for a night light. I personally wouldn't.

Q. (By Mr. Anderson, continuing) What else could he do? He would have—

[3424] Examiner Sullivan: (Interposing) Go out and buy a 40 watt.

Q. (By Mr. Anderson, continuing) He would have to go out and spend his own money to get a smaller bulb? A.



That could be one of the alternatives. Many customers believe the 25 is still too much and use the 7½ watt that plugs into a socket, too. That makes a very good night light, but we don't exchange those.

Q. One final question, Mr. Kelley.

Do you have any plans at the present time to discontinue customer service offices or customer service agencies in any particular cities or communities, thereby leaving such communities without any customer office or agency? A. Mr. Anderson, we have quite a few municipalities today without an office or an agency.

Q. I understand that. I'm asking how many more, if any, are going to be without an agency or an office, under your plans.

[3433] Q. You indicated that you had made inquiry of various electric utilities regarding the appliance repair policies of other utilities. Is there any other major electric utility that offers an appliance repair policy presently offered by Detroit Edison?

Mr. Anderson: Mr. Hogg, I wonder if you could define your question a little closer.

Q. (By Mr. Hogg, continuing) Did you make inquiry regarding the appliance repair policy offered by other utilities? A. Yes, we did.

Q. Is there any major electric utility that provides free appliance repairs as The Detroit Edison Company does at the present time? A. Not of those that we inquired into, we found none that offer the same policy that we have at the present time.

Q. Do you know of any others? A. I don't know of any others, no.

Q. Mr. Kelley, I notice in your experience you have had some experience in the field of lighting, illumination? A. Yes, I have.

Q. Has the change in lamp bulbs offered to Edison customers had any relationship to the illumination desired by domestic customers? [3434] A. I would say that, yes, there is, that today our customers are more aware of the need for good lighting certainly, and I think this shows up considerably in the commercial areas where a great many of our customers work and the lighting levels have gone up considerably in many of the commercial areas, the offices, this type of thing, and once a person becomes accustomed to working under a higher light level, it is extremely difficult to go back to a much lower level. So that in that regard, I would think that the customer would be wanting higher lighting levels in the home.

Mr. Hogg: Thank you.

Mr. Anderson: I have got several questions now.

Examiner Sullivan: Let's take about a 15, 20 minute break.

(A recess was thereupon taken.)

Examiner Sullivan: Very well, we may come to order.

Mr. Anderson, you may proceed.

[3435] *Recross-Examination of Mr. Kelley by Mr. Anderson:*

Q. Mr. Kelley, when Mr. Hogg asked you if you had reviewed the policies of other utilities with respect to repair services, how many utilities did you review to see what their appliance repair policies and charges were? A. We reviewed approximately 20.

Q. And I think Mr. Hogg asked you if any of those had the same policy as Detroit Edison, and your answer was no. What did you understand Mr. Hogg's question to mean when he referred to "the same policies"? A. The same policy would be one where there is no labor charge and no appreciable charge for parts.



Now, of course, we in the small appliance area do charge for over 50 cents. But we found no utilities that do not charge for any parts in the major repairs. And a good many of these utilities—I say a good many, several of those only charge for those or only repair appliances that are purchased through the utility. Some of them have sizable mechandising programs.

Q. And I guess you said you couldn's tell me how many of those 20 impose a charge for parts or impose a charge for parts plus a nominal labor charge? [3436] A. I don't have the exact number with me, no.

Q. You mentioned that you think that the public is becoming more aware of good lighting. Have you noticed yet any trend on the part of the public to reduce the amount of lighting for either cost or ecological considerations? A. No. We have no data or any evidence to indicate that customers are not using good lighting for the purposes of ecology or to save money.

Q. Has Detroit Edison put out any advertisements in the past year or two that you are aware of urging people to reduce unnecessary lighting? A. Not specifically toward using less energy for lighting. However, we have for many years in all three classes of customers tried to help the customer get the most he can for his electric bill, that is, to use it wisely and efficiently, not to waste it.

Q. What examples do you have of that? A. We have—and this goes back a few years, when I was connected with lighting and industrial customer contact work—made many cost studies on the advantages of the mercury vapor lamps and fluorescent versus incandescent in terms of their efficiencies. And the gaseous discharge lamps are far more efficient than the incandescent in terms of light output per unit of energy.

[3437] Q. What examples do you have that related to domestic customers? A. I can't recall any specific exam-

ples in terms of the use of lighting, because I have not been completely involved with residential customers. However, we have in many ways, in terms of use of cooking facilities, our home economist gals do go out and talk with customers, have been for years instructing the customer as to the best use of the dryer, the electric range, keep the dust off the condenser on the back of the refrigerator to make it operate more efficiently, things of that nature. We have been doing this for years.

Mr. Anderson: That is all.

Mr. Hogg: No further questions.

Examiner Sullivan: All right, Exhibit A-16 is herewith received.

Mr. Kelley is excused finally.

The Witness: Thank you very much.

(The witness was thereupon excused.)

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**Opinion and Order in D-1722**

STATE OF MICHIGAN

BEFORE THE

MICHIGAN PUBLIC UTILITIES COMMISSION

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At a session of the Michigan Public Utilities Commission held at its offices in the City of Lansing, Michigan, on the 19th day of October, A.D., 1936.

Present: Hon. William M. Smith, *Chairman;*
Hon. Emerson R. Boyles, *Commissioner;*
Hon. Ivan E. Hull, *Commissioner;*
Hon. Paul W. Voorhies, *Commissioner;*
Hon. Harold J. Waples, *Commissioner.*

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D-1722

In the matter of the regulation by the Michigan Public Utilities Commission of the rates, charges, services, practices and facilities of THE DETROIT EDISON COMPANY.

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In this matter, after due notice to all interested parties, a general hearing on the rates, services, charges and practices of The Detroit Edison Company was held on the 5th, 6th and 7th days of October, 1936;

A large amount of testimony was taken and certain municipalities served by The Detroit Edison Company and certain customers of said Company having been then heard; and the Commission having concurrently herewith filed an opinion to which reference is hereby made;

THEREFORE, in view of the foregoing, IT IS HEREBY HELD, FOUND AND ORDERED by the Michigan Public Utilities Commission:

1. That the electric plant, property and facilities and the steam heating plant, property and facilities owned and

operated by said utility are of necessity conducted and operated in conjunction with each other, and that conditions are such that the electric facilities and the steam heating facilities should be, and they are hereby found and held to be, a single utility, and it is held, found and ordered that the plant, property and equipment used in both of said enterprises shall be considered together and not separately;

2. That in the recent past the gross revenues and the net return of The Detroit Edison Company have been increased by an increase in the business of said utility and through economies which said utility has effected in its operation and financing; that the trend of the Company's revenues indicates the probability of a further increase in its business and its revenues during the immediate future; that the generating capacity now installed by said utility is in excess of present demands so that the Company desires to encourage the use of electrical energy through more attractive rates;

3. That, in view of the foregoing, the electrical rates of The Detroit Edison Company shall be reduced so as to give an annual saving to the electric customers of said utility in the sum of approximately $1,711,000; and that the greater share of said saving to electric customers should be for the benefit of residential and commercial customers;

4. That the Engineering Department of this Commission in conjunction with the engineering and rate staffs of that Company has made a study of the form and type of rates of The Detroit Edison Company; that the present room base residential rate applying to the Detroit and Eastern Michigan Divisions (but not to the Lake Huron Division) incorporates a demand feature based on the number of rooms in the residence which is no longer necessary or desirable and which tends to confuse the customer; that



this rate should be replaced by a straight block type of rate; and that the residence rates in the Lake Huron Division should for the purposes of uniformity and simplicity be reduced to the same rate as that now placed into effect for the older Divisions served by this Company.

The Engineering Department of this Commission finds that the installation of the simple block type of rate hereinafter set forth under the title "Residence Service" will result in estimated annual savings to the residential electric customers of The Detroit Edison Company, with a corresponding reduction in the Company's gross revenues of approximately $937,000; and that every residential customer using more energy than the energy corresponding to the monthly minimum charge will receive a reduction. The new Residence Service rate shall become effective in the entire territory served by The Detroit Edison Company on all bills for residential service rendered on and after November 1, 1936:

## RESIDENCE SERVICE

CHARACTER OF SERVICE:

Who may take the Service: Householders desiring service for private residences. This rate will also be allowed for farm service in connection with the farmer's residence including all incidental uses of power within the farmsteading.

This rate will be allowed only when the premises is used as the dwelling place of the applicant and his family; when the number of bedrooms rented to paying guests is less than four and, if in an apartment building, when the apartment has complete housekeeping facilities and a floor area of not less than 340 square feet. Service to parts of residences or farmsteadings used for commercial or manufacturing purposes, to

residential hotels, rooming houses, boarding houses, groups of cabins to be rented to tourists, and, in apartment buildings to single rooms, groups of rooms, or suites not qualifying as residences will only be furnished under an appropriate Commercial Rate Schedule.

Hours of Service: 24 Hour.

Current, Phase and Voltage: Alternating current, single phase, at 115 volts two-wire or 115-230 volts three-wire, and/or three phase current suitable for standard motors rated at 220 volts, except in the direct current district of the City of Detroit where the service is direct current at 120 volts two-wire or 120-240 volts, three-wire.

Rate: Nine cents per kwhr for the first ten kwhr per residence per month.
Four cents per kwhr for the next forty kwhr per residence per month, and
Two and one-half cents per kwhr for the excess.
Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at 9¢ and the number chargeable at 4¢ are twice the stated monthly quota.

Discount: 10% for prompt payment.

Minimum Charge: For single phase alternating current and for direct current service; Fifty cents per month, less 10% for prompt payment. For three phase service: Ten dollars per month, less 10% for prompt payment.



Seasonal Reconnection Charge: For residences that are occupied only seasonally, that is, during the summer months, the fishing or hunting season, or otherwise to like effect, a charge of $1.50 less 10% for prompt payment, is made at the start of a new season for re-establishing service discontinued by the customer's order at the end of the preceding season. Likewise a charge of $1.50, less 10% for prompt payment is made for each change of name in which the account is kept, in excess of one change per calendar year.

Lamp Supply: *Incandescent lamps will be furnished without extra charge:*

*(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 30 lamps to any one residence.*

*(2) As replacements of burned out Mazda lamps in proportion to the use of energy for lighting purposes under this rate.*

Contract Term: Open Order, terminable on three days written notice by either party.

5—That the present multiplicity of commercial lighting and small power demand rates in the Detroit and Eastern Michigan Divisions is confusing to the customer and results in extra expense to the Company, and that these demand rates should be replaced by a single rate of the demand type under which both lighting and power service would be obtainable, *with free lamp replacement in proportion to the amount of the lighting load.* The Engineering Department of this Commission has estimated that the installation of the demand type rate for commercial service set forth below under the title "Commercial Demand Rate" and the introduction into the Lake Huron Division of the commer-

cial block rate now in effect in the older territory as ordered later herein, will result in an annual net saving to commercial customers of approximately $628,000.

In spite of the large overall reduction cited, it appears that certain customers taking a relatively large amount of power and a relatively small amount of lighting would have increased bills under the proposed rate. However, if a single new rate were made sufficiently low so that no customer under any of the present differing commercial rates were increased, the resulting reduction in the revenues of the Company would be too great a proportion of the total revenue reduction permissible at this time. Therefore, it appears desirable that those present commercial customers who would be adversely affected by the adoption of the new commercial demand rate should be permitted, for the time being, to continue to take service under present rates so that no customer's bill will be increased for the present as a result of the change. The present rates, however, are to be immediately withdrawn as to new customers and all present customers are to be transferred to the new rates within two years. The following commercial demand rate shall become effective in all territories served by the Detroit Edison Company on all bills rendered on and after November 1, 1936.



## COMMERCIAL DEMAND RATE

CHARACTER OF SERVICE:

Who may take the Service: Persons desiring service for any purposes, provided all uses of electricity on the premises are furnished at this rate.

Hours of Service: 24 Hour

Current, Voltage and Phase: Alternating Current, single phase, at 115 volts two-wire, or 115-230 volts three wire, and/or three phase current suitable for standard motors rated at 220 volts, except in the direct current district of the City of Detroit where the service is direct current at 120 volts two-wire, or 120-240 volts three-wire.

RATE: $5.00 per month per kilowatt of demand for the first 3 kilowatts,

$3.50 per month per kilowatt for the excess demand,
Plus 1½¢ per kwhr for the first 10,000 kwhr per month,
and 1¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.50 per month less 10% prompt payment discount. There is no prescribed minimum energy (kwhr) charge. See rule No. 9 for Special Minimum Charges.

LAMP SUPPLY: *Replacements of burned out Mazda lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.*

CONTRACT TERM: *For Demands up to 100 Kilowatts:* Open Order, terminable on three days written notice by either party.

*For Demands in Excess of 100 Kilowatts:* As to continuity of service and as to reservation charge, but not as to kwhr rate: one year, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party. See Rule No. 15 of the Company's General Rules for installations larger than 500 kilowatts.

6—That the rates and charges of the Detroit Edison Company for street lighting service should be reduced and made uniform for all Divisions. The Company has connected to its lines some 32,600 street lamps of which approximately 18,700 are in service and 13,900 are out of service. The lamps that are out of service were turned off at the request of the municipalities who were attempting to make decreased tax revenues cover the increased expenses for relief, etc., resulting from the depression. The reduction in rates hereby ordered is made in the hope that lower rates will permit municipalities to order into service a part of the lamps which are now out of service.

The new street lighting rates hereinafter set forth are approximately ten percent lower than the existing rates now effective in the Detroit and Eastern Michigan Divisions. The new rates further provide an additional discount of five percent to those municipalities who pay their street lighting bills within thirty days after the service is rendered, so that the new rates are approximately fifteen percent lower than the existing rates if bills are paid promptly.

In the Lake Huron Division the rate now ordered is higher for certain lamp sizes and lower for other lamp sizes, but in general bills will be less for the same service under the new rate than under the present rate. Furthermore because of depression conditions and of the confusion resulting from change of ownership, the billing for street



lighting service in the Lake Huron Division is known to be at variance with the present filed rates. Because of these conditions the Company shall treat each one of the irregular situations in its Lake Huron Division on its merits, furnishing to the municipality concerned full all-night service as soon as they shall be able to pay for it. No municipality shall be brought to full service schedule with accompanying higher charges until the Company and the municipality shall have come to complete agreement. This will prevent any increase in cost to the municipalities for street lighting service without agreement thereto by the municipalities.

The estimated reduction in street lighting revenues will amount to approximately $140,000 annually as the result of the following street lighting rate changes which shall become effective, with the exceptions noted in the preceding paragraph, on all bills rendered on and after July 1, 1936 in all Divisions served by the Detroit Edison Company.

## STREET LIGHTING

CHARACTER OF SERVICE:

Who may take the Service: Municipalities.

Hours of Service: One-half hour after sunset until one-half hour before sunrise each night of the year.

Kind of Service: Series incandescent street lighting from overhead lines or underground circuits. Where the number of lamps does not permit the installation of series equipment, the Company will furnish service from multiple circuits. *Charges for multiple street lamps will be identical with charges for series street lamps of approximately the same rating in lumens.*

The Company will clean, inspect, operate and maintain street lighting equipment and *furnish lamp replacements.* For underground service with the street equipment owned by the municipality the ordinary maintenance furnished by the Company covers all maintenance except major replacements such as broken lamp posts, etc. Major replacements must be paid for by the municipality.

RATE: Rate per lamp per year.

| Lamp Size (Lumens) | Overhead Street Lighting Service | Ornamental Underground Street Lighting Service | |
|---|---|---|---|
| | | St. equipment owned by the Company | St. equipment owned by the Municipality |
| 1000 | $18.00 | $30.00* | $15.00* |
| 2500 | 30.00 | 48.00* | 24.00* |
| 4000 | 36.00* | 54.00* | 30.00* |
| 6000 | 42.00 | 60.00 | 36.00 |
| 10000 | 54.00 | 72.00 | 48.00 |
| 15000 | 66.00 | 84.00 | 60.00 |

* Not filed for new business.

DISCOUNT: 5% discount on bills paid within 30 days after the month in which service is rendered.

REBATE FOR OUTAGES: Pro rata rebate upon notification of the outage by the customers except that there shall be no rebate for the first night of outage.

CONTRACT TERM: Open Order, terminable by mutual agree- the outage by the customer except that there shall be party.

7—That the Company should reduce and simplify its charges for Traffic Lights Service. The present rate for Standard Traffic Lights provides a charge of $1.00 per month for 50 watts (or fraction thereof) for the first 100 watts of connected load for each installation and 50¢ per



month per 50 watts (or fraction thereof) in excess of the first 100 watts per installation. This schedule applies to the Detroit and Eastern Michigan Divisions. The charge for Standard Traffic Lights in the Lake Huron Division is $1.00 per month per 50 watts (or fraction thereof) of connected load on each connection to the Company's lines. The Company shall therefore reduce, unify and simplify these rates by substituting for the above uniform rate of 60¢ per month for 50 watts (or fraction thereof) of connected load. In reckoning connected wattage there shall be made an appropriate reduction in the reckoning for lamps operating intermittently or only at night. The new rates for traffic lights are to become effective for bills rendered on and after November 1, 1936. There will result little if any change in charges in the Detroit and Eastern Michigan Divisions; charges for traffic light service in the Lake Huron Division will be materially reduced.

8—That the present rule of The Detroit Edison Company covering "Demand Indicators—Periodic Revision of Demand—Reckoning of Demand Charge", now filed as Rule No. 12, 10th Revised Sheet No. 15, M.P.U.C. No. 2, should be revised to be consistent with the requirements of the new demand type commercial rate. Aside from those requirements, the revision of this rule should permit the redetermining from time to time of the Valley hours, so-called, now fixed in Rule No. 12 as running from 9 P.M. to 7 A.M. Also the special demand provisions applicable to gravel pits and ice plants which are a part of Rule 12 as it now stands should be withdrawn as to new business on and after November 1, 1936, and cancelled entirely as of November 1, 1938. The following general rule No. 12 shall therefore become effective in all Divisions of The Detroit Edison Company with the exceptions noted in this paragraph, in connection with all bills rendered on and after November 1, 1936.

## GENERAL RULE NO. 12

DEMAND INDICATORS:

When a filed rate provides for a demand charge or a reservation charge a suitable demand indicator is installed, except where the Company considers the indicator superfluous because the service taken is small and the demand is, and continues to be, equal to the connected load.

RECKONING OF DEMAND:

*Commercial Demand Rate:* Demand indicators are read monthly at the time of the scheduled meter reading. The normal billing demand is the highest single reading of the demand indicator established during the billing period.

Apartment houses may elect to be billed at a reckoned demand of 400 watts per apartment in lieu of a metered demand. Every apartment, occupied or vacant, shall be counted in reckoning the demand. Rooming houses may elect to be billed at a reckoned demand of 100 watts per room in lieu of a metered demand. The number of rooms shall be determined according to the customary real estate count. For both apartment houses and rooming houses the demand will be reckoned by dividing the metered kwhr by 500 hours if the apparent hours of use of the demand reckoned from room count exceed 500 hours per month. Any operator of an apartment house or rooming house may avail himself of reckoned demand privileges by providing for it in his agreement for service.

*Primary Supply Contracts:* The daily demand is the average of the three highest readings of the demand indicator in each day, or two-thirds of the one highest reading whichever is higher. The normal billing demand is the highest daily demand established during the billing period.



VALLEY HOURS USE:

Periods of light load on the Company's power houses are known as valley hours. To encourage use of power at these times the Company offers to its large customers a lessened reckoning of demands occurring during valley hours. In such cases the billing demand shall be the highest daily demand reckoned as [follows]:

*Commercial Demand Rate:* To the highest single demand in each day, excluding valley hours, shall be added one-third of the amount by which it is exceeded by the highest single valley hours demand for the same calendar day.

*Primary Supply Contracts:* To the average of the three highest demands occurring in each day, excluding valley hours, (or two-thirds of the single highest demand in the same period, whichever is higher) shall be added one-third of the amount by which it is exceeded by the highest single valley hours demand for the same calendar day.

From time to time the Company will issue to the Michigan Public Utilities Commission and to valley hours customers a bulletin setting forth a schedule of valley hours which will become effective thirty days after the date of the bulletin and will continue effective until the effective date of the succeeding bulletin.

Any customer may elect to avail himself of valley hours privileges provide that his indicated demand exceeds ten kilowatts, that his valley hours demand exceed his non-valley hours demand, and that, for customers on the Commercial Demand Rate, provision shall have been made in the agreement for service for suitable metering equipment.

SPECIAL DEMAND DETERMINATIONS:

For sales of current to municipalities or others for street lighting the billing demand (if a billing demand is required by the filed rate) is the one highest reading of the demand indicator during the billing period.

9—That in view of having now ordered the same residence, commercial demand and street lighting rates in the Lake Huron Division as in the Detroit and Eastern Michigan Divisions, it is desirable for the purpose of unifying the territory served to make all rates identical throughout the entire territory of The Detroit Edison Company. Such action will result in a further saving of approximately $6,000 which is in addition to all savings previously recited.

One rate, the commercial block type rate, thus made effective is expected to adversely affect possibly 42 commercial customers in the City of Lapeer. There exists in that City a special commercial block rate which is lower than the Detroit block rate now being made effective and is also lower than existing rates in adjacent territory and which is therefore, in the opinion of the Commission, discriminatory. The general revision of all rates to uniformity produces substantial savings in other schedule in the City of Lapeer and warrants the elimination of the special rate.

Therefore the entire rate schedule of The Detroit Edison Company known as M.P.U.C. No. 1 applying to its Lake Huron Division, except as otherwise provided herein, shall be cancelled as of November 1, 1936 and the Lake Huron Division be thereafter served at the same rates as the Detroit and Eastern Michigan Divisions.

10—That the following rate sheets of The Detroit Edison Company which are a part of its rate schedule, M.P.U.C. No. 2 be cancelled on and after November 1, 1936:

General Rule No. 12 now filed as Tenth Revised Sheet No. 13.



"Residence Service (optional rate)", now filed as Second Revised Sheet No. 51.

11—That the following commercial demand rate sheets of The Detroit Edison Company which are a part of its rate Schedule M.P.U.C. No. 2 shall be withdrawn as to new customers as of November 1, 1936 and shall be cancelled for all customers as of November 1, 1938:

"Standard Lighting Contract (regular form)" now filed as Original Sheet No. 41.

"Standard Power Contract (direct current service)" now filed as First Revised Sheet No. 61.

"Standard Power Contract (alternating service)" now filed as First Revised Sheet No. 62.

"Secondary Supply Contract" now filed as Third Revised Sheet No. 64.

12—That the following street lighting rate sheets of The Detroit Edison Company which are a part of its rate schedule M.P.U.C. No. 2 be cancelled effective as of July 1, 1936:

"Street Lighting (overhead systems)" now filed as First Revised Sheet No. 121.

"Street Lighting (ornamental systems) (Equipment owned by the Company)" now filed as Second Revised Sheet No. 122.

"Street Lighting (Ornamental systems) (Equipment by the customers)" now filed as Second Revised Sheet No. 123.

13—That the Company shall reconsider and revise its other rules for electric service incorporated in its rate schedule, and that the Company shall submit to the Commission on or before November 15, 1936 revised and sim-

plified rules. By reason of recent cancellations or revisions of several rate sheets of the Company, including the cancellation of the entire rate schedule for the Lake Huron Division known as M.P.U.C. No. 1, and by reason of the proposed revision and simplification of the supplemental rules, it is ordered that the Company prepare a complete new rate schedule to be known as "M.P.U.C. No. 3" which shall be uniformly applicable to all Divisions of the Company and that it submit the new schedule to the Commission for approval. The revision of the rules of the Company ordered by this paragraph is to be limited to simplification and clarification and is not to affect rates and charges.

14—The Commission retains jurisdiction of the matters herein contained and will issue such further order or orders as the circumstances require after due notice to the parties concerned.

MICHIGAN PUBLIC UTILITIES COMMISSION

| | |
|---|---|
| WILLIAM M. SMITH | Chairman |
| EMERSON R. BOYLES | Commissioner |
| IVAN E. HULL | Commissioner |
| PAUL W. VOORHEIS | Commissioner |
| HAROLD J. WAPLES | Commissioner |

CKW:CO



**Intervenors in Case No. U-4807**

STATE OF MICHIGAN

Office of the Michigan Public Service Commission

I, EARL B. KLOMPARENS, Secretary of the Michigan Public Service Commission, Do Hereby Certify that the attached sheets list to the best of my knowledge all of the Intervenors and Interested Parties that appeared before the Michigan Public Service Commission in Case No. U-4807, In the matter of the application of THE DETROIT EDISON COMPANY for authority to amend its rate schedules governing the supply of electric energy and to amend other miscellaneous rates.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Commission, at Lansing, this 12th day of December in the year of our Lord one thousand nine hundred seventy-five.

EARL B. KLOMPARENS
Secretary

# THE DETROIT EDISON COMPANY

## U-4807

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**Excerpts from the Opinion and Order in Case No. U-4771**

STATE OF MICHIGAN

BEFORE THE

MICHIGAN PUBLIC SERVICE COMMISSION

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Case No. U-4771

In the matter of standard filing requirements for electric utilities with annual revenues of $400,000,000 or more on the motion of the Commission.

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At a session of the Michigan Public Service Commission held at its offices in the city of Lansing, Michigan, on the 24th day of February, 1975.

Present: Hon. WILLIAM G. ROSENBERG, *Chairman;*
Hon. LENTON G. SCULTHORP, *Commissioner;*
Hon. WILLIAM R. RALLS, *Commissioner.*

OPINION AND ORDER ADOPTING STANDARD RATE APPLICATION FILING FORMS AND INSTRUCTIONS

The Commission has dual and complementary responsibilities in the regulation of electric utilities. Within the limits of its statutory powers, the Commission must attempt to assure adequate and reliable electric power for the public at the lowest possible cost and must provide investors in electric utilities a fair return on their investment.

It is evident from the experience of recent years that the traditional regulatory process requires modification if the Commission is to effectively discharge its responsibilities. *The number of participants in major rate cases and the scope of their participation have steadily grown. As the questions which underlie utility regulation have become more complex, the decisions required of the Commission have become more complicated and difficult. As a result, the time, energy, and expense necessary to complete a major rate case have increased.* Additionally, the fundamental issues surrounding the availability of power in the future have become more salient. It is clear that all of these new forces require the Commission to continually monitor its procedures and to take the actions necessary to improve the rate case process.



There is no shortcut which will enable the Commission to make rate decisions more quickly and, at the same time, have and consider all pertinent information. Instead, a variety of devices must be tested and employed to both streamline the process and insure that the pertinent data are available to the Commission. The Commission has previously taken steps to modernize its regulation of electric utilities, including the use of forward-looking test years and requiring extensive investigation into innovative types of rate design. The Commission is convinced that it is now appropriate to take another step through the adoption of standard filing requirements for major electric rate cases.

The general pupose for the filing requirements is threefold.

First, the requirements will make the processing of rate cases more orderly. Because all parties to the case will share a common starting point, the Commission will be able to better understand the financial situation of the applicant utility. Further, each rate case will be presented with a substantial measure of uniformity and, therefore, comparisons among cases will be facilitated.

Second, the filing requirements will assist in shortening the time required to complete a rate case. With a standard format for rate case filings and standard methods of calculating and presenting particular adjustments, the participants in the process should be able to spend less time in locating and understanding pertinent issues in the case.

Third, increased and consistent information will be available to the Commission about the relationship of the proposals made in the rate case to the interest of the public in adequate and reliable electric power.

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**Excerpts from the Opinion and Order in Case No. U-4570**

STATE OF MICHIGAN

BEFORE THE

MICHIGAN PUBLIC SERVICE COMMISSION

• • •

Case No. U-4570

In the matter of the application of
THE DETROIT EDISON COMPANY

for authority to amend its rate schedules governing the supply of electric energy.

At a session of the Michigan Public Service Commission held at its offices at Lansing, Michigan, on the 3rd day of February, 1975.

Present: Hon. WILLIAM G. ROSENBERG, *Chairman;*
Hon. LENTON G. SCULTHORP, *Commissioner;*
Hon. WILLIAM R. RALLS, *Commissioner.*

## OPINION AND ORDER

### I.

### HISTORY OF PROCEEDINGS

On April 15, 1974, The Detroit Edison Company (Applicant) filed its application in this matter requesting that the Commission conduct hearings and thereafter approve for Applicant additional annual revenues of at least $93,048,000. At the time of filing its application, Applicant also filed a Motion for Interim Partial and Immediate Revenue Relief requesting that, pending a final order in this case, the Commission grant Applicant authority to place into effect a surcharge of 8.3% on all bills issued to its customers, for the generation of $61,100,000 of additional annual revenues. Concurrent with its application and its



Motion for Interim Partial and Immediate Revenue Relief, Applicant filed the written direct testimony of its proposed witnesses together with its proposed exhibits.

On April 29, 1974, the Commission issued its Order and Notice of Hearing and Notice of Hearing on Motion for Interim Partial and Immediate Revenue Relief (Order and Notice of Hearing) which, among other things, summarized Applicant's proposed surcharge of 8.3% on all bills for electric service to produce the additional revenues requested in its Motion for Interim Partial and Immediate Revenue Relief. *The Order and Notice of Hearing also required that Applicant publish notice of hearing in the same newspapers throughout its electric service area and in substantially the same style and manner as the notice of hearing which was published in Case No. U-4257. In addition, Applicant was required to mail a copy of the notice of hearing to all cities, incorporated villages, counties and townships within its electric service area as well as to all intervenors or participants who had appeared in Cases Nos. U-3910 or U-4257, being the most recent two electric rate increase proceedings of Applicant.*

The Order and Notice of Hearing established the following hearing dates:

1. May 28, 1974, in Lansing, for an initial hearing in the nature of a Prehearing Conference.
2. May 30 and 31, 1974, in Detroit, for commencing public hearings for the special purpose of taking statements and testimony of interested persons. A special evening hearing for this same purpose was scheduled for 7:00 p.m. on May 30, 1974.
3. June 24, 1974, in Lansing, for continuation of public hearings for the special purpose of taking statements and testimony of interested persons, and for the purpose of commencing cross-examination of Applicant's witnesses.

The initial hearings proceeded as scheduled. Cross-examination of the direct testimony of Applicant's witnesses commenced on June 24, 1974, continued on June 25, 26, 27 and 28; July 1, 2, 3, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30 and 31; August 1, 2, 5, 6, 7, 8, 9, and was completed on August 13, 1974.

On June 18, 1974, Applicant Filed a Supplemental Motion for Interim Partial and Immediate Revenue Relief and Motion for Emergency Hearing, requesting that the Commission, pending final order in these proceedings, authorize Applicant to impose a surcharge of 9.1% on all bills issued to its customers for electric service as a means of producing additional annual electric revenues of $67,600,000 which additional revenues it requested the Commission to approve in its Supplemental Motion for Partial and Immediate Revenue Relief. Responsive pleadings opposing the aforesaid Motion were filed by the city of Grosse Pointe Park, the Staff of the Michigan Public Service Commission (Staff), and the Attorney General of the State of Michigan. On July 12, 1974, the Hearings Examiners (Examiner) dismissed the Supplemental Motion, and on July 18, 1974 Applicant appealed the Examiner's ruling to the Commission. On August 13, 1974, Applicant filed a Renewed Motion for Interim Partial and Immediate Revenue Relief, withdrew its appeal of the Examiner's ruling of July 12, 1974, and requested that the Commission, pending issuance of a final order in these proceedings, grant Applicant authority to impose a surcharge of 8.3% on all bills issued to its customers for electric service, as a means of producing additional annual revenues of $61,100,000.

On August 14, 1974, the Commission issued a Notice of Hearing on Renewed Motion for Interim Partial and Immediate Revenue Relief and ordered a copy of said notice to be served on all parties of record, including all Rule 11 Intervenors and Rule 16 participants in this proceeding. On



August 27, 1974, the Staff filed its Investigation and Report Concerning Partial and Immediate Rate Relief in accordance with Commission procedure for interim relief and pursuant to the schedule established by the August 14, 1974 notice of hearing.

For the convenience of the witness, the time for cross-examination of Dr. Ralph Turvey of London, England, a witness on behalf of the Environmental Defense Fund and the West Michigan Environmental Action Council, was set on August 19 through 21, 1974. Dr. Turvey's testimony was filed on August 6, 1974 and the testimony of Dr. Charles J. Cicchetti, an additional witness on behalf of the same Intervenors, was filed on August 13, 1974. However, Dr. Cicchetti was not cross-examined until the time period regularly scheduled for cross-examination of the Staff's and Intervenors' cases.

Cross-examination of the Staff Investigation and Report filed with respect to Applicant's Renewed Motion for Interim Relief commenced on September 9, 1974 in accordance with the notice of hearing and was concluded on September 11, 1974.

The Examiner ordered that briefs on Applicant's Renewed Motion for Interim Partial and Immediate Revenue Relief be filed no later than September 18, 1974.

On September 30, 1974, the Commission entered its Order Granting Partial and Immediate Rate Relief which authorized Applicant, commencing October 1, 1974, to impose a surcharge of .931 mills (net) per kilowatt hour sold on its electric rate schedules, except for certain specified rate schedules, as a means of generating the additional $30,287,000 annual electric revenues authorized in such order.

On September 13, 1974, the Attorney General of the State of Michigan, the City of Detroit and the County of Wayne appealed the Examiner's rulings of September 10 and 11,

1974 that the Attorney General could not present witnesses and exhibits on Applicant's Renewed Motion for Interim Partial and Immediate Revenue Relief. In its September 30, 1974 interim order, the Commission ruled that ". . . other parties do not have a statutory right to submit evidence with respect to a motion for partial and immediate relief . . ." However, the Commission further stated in said order that:

> ". . . the Attorney General's proferred testimony and exhibits have been accepted and treated as matter offered in support of his opposition to interim relief."

Intervenors and the Staff were directed by the Examiner to file their written direct testimony and exhibits on or before September 19, 1974. Cross-examination of the direct case of the Intervenors and Staff commenced on September 30, 1974 and continued on October 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18 and was completed on October 21, 1974.

All parties filed the written direct testimony and exhibits constituting their rebuttal cases on November 4, 1974. Cross-examination of Applicant's rebuttal case commenced on November 12, 1974 and the hearing on the rebuttal phase of these proceedings continued on November 13, 14 and was completed November 15, 1974.

*Among the Intervenors actively participating in this case were the Attorney General of the State of Michigan; The Environmental Defense Fund, Inc.; West Michigan Environmental Action Council; Michigan UAW-CAP; General Motors Corporation; Great Lakes Steel Division, National Steel Corporation; McLouth Steel Corporation; Jones & Laughlin Steel Corporation; Chrysler Corporation; Monsanto Company; City of Grosse Pointe Park; City of Grosse Pointe Woods; City of Ferndale; City of Detroit; and the County of Wayne. Morton Salt Company filed a petition for leave to intervene shortly before the close of the record*



*in the case and was permitted to intervene for the purpose of filing briefs. Reference to the Attorney General includes the UAW-CAP, City of Detroit and County of Wayne throughout this order unless otherwise specified as these parties generally took the same positions.*

On November 7, 1974, Applicant filed a Motion for Additional Interim Partial and Immediate Revenue Relief. Notice of Hearing was issued on November 8, 1974 and hearing on said motion was held November 22, 1974. The Commission finds that no action is necessary on the additional motion, it being rendered moot by the issuance of this Opinion and Order.

*Chief Hearings Examiner Alfred A. Sullivan and/or Hearings Examiner Arnold W. Tammen (Examiner) presided at all 64 days of hearings held in this proceeding.*

*There were 97 exhibits offered or introduced into evidence and the 61 volumes of transcript of the proceedings for the 64 days of hearings comprise 7,509 pages. In addition, portions of 12 volumes of transcript, comprising parts of 12 days of hearing in Case No. U-4576 (Consumers Power Company electric rate case) were incorporated by reference into the record in this proceeding.*

*In order that the record of the proceedings be freely available to the public in Applicant's service area, the Examiner directed that Applicant file a copy of the transcript of the proceedings in the public library in each of four communities—Dearborn, Detroit, Ferndale and Grosse Pointe. Counsel for all parties were directed to file copies of all exhibits in each of the above libraries.*

*The Examiner directed that briefs be filed by all parties by December 13, 1974. Briefs were filed by Applicant, the Staff and most of the Intervenors participating in this case.* No provision was made for the filing of Reply Briefs.

On December 30, 1974, the Examiner issued his Proposal for Decision recommending final rate relief for Applicant

in the amount of $85,136,000 or $54,849,000 above the interim relief previously granted by the Commission. Filing of exceptions to the Proposal for Decision was set for all parties on January 13, 1975. There was no provision made for Replies to Exceptions to the Proposal for Decision. On January 6, 1975 and on January 8, 1975, the Attorney General and UAW-CAP by motion requested additional time for filing exceptions. Both Motions were denied by the Examiner. The Attorney General then appealed the denial, which was affirmed by unanimous order of the Commission at a special meeting on January 10, 1975. The decision rendered herein is based solely upon examination and consideration of the record, including the briefs, the Proposal for Decision, and the exceptions of the parties in this proceeding.

## II.

### Description of Applicant

Applicant is a corporation organized and existing under the laws of the states of Michigan and New York. Its principal offices are located at 2000 Second Avenue, Detroit, Michigan. Applicant is a public utility principally engaged in the business of generating, transmitting, transforming, distributing and selling electric energy. Approximately 2% of Applicant's revenues are derived from the sale of steam.

The service area of Applicant is in Southeastern Michigan extending from near Monroe on the South to the Thumb area of Michigan on the North, and includes the populous area of Metropolitan Detroit. Applicant's total service area extends over approximately 7,600 square miles and includes approximately 1,572,184 electric customers. Applicant's common stock is held by over 155,000 stockholders, approximately 60% of whom reside in the State of Michigan.

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## III.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCLA 460.551 et seq.; 1909 PA 300, as amended, MCLA 462.2 et seq.; 1919 PA 419, as amended, MCLA 460.51 et seq.; 1939 PA 3, as amended, MCLA 460.51 et seq.; 1969 PA 306, as amended, MCLA 24.201 et seq.; and the Commission's Rules of Practice and Procedure, 1954 Administrative Code, Supplement No. 54, R 460.11 et seq.

b. The statutory requirements of Section 81 of 1969 PA 306, as amended, have been complied with in that an Examiner's Proposal for Decision was issued on December 30, 1974 and the parties have been given reasonable opportunity to submit exceptions thereto.

c. The statutory requirements of Section 85 of 1969 PA 306, as amended, have been complied with in that the Commission has ruled upon all proposed findings submitted by the parties which would control this Opinion and Order.

d. A rate base for Applicant's electric operations of $2,763,748,000 is just and reasonable.

e. An overall rate of return of 8.57%, including a return on common equity of 12.12%, is just and reasonable.

f. The jurisdictional adjusted net operating income for the test year in this case is $203,875,000.

g. The revenue deficiency before earnings erosion allowance is $68,792,000.

h. The earnings erosion allowance is $17,295,000.

i. Applicant's financial condition has rapidly deteriorated since the last order of this Commission in Case No.

U-4257, seriously impairing its present and future ability to provide adequate service to the public.

j. Applicant's fuel cost adjustment clause should be amended to reduce the lag between the occurrence and recognition of increased or decreased costs of fuel in the monthly adjustment and should include a variable heat rate for commercial and industrial customers as described in this Opinion and Order.

k. Applicant is experiencing an annual revenue deficiency of $86,087,000 and an increase in Applicant's electric revenues in that amount is reasonable and in accordance with other findings and conclusions contained in this Opinion and Order.

l. The Order Granting Partial and Immediate Rate Relief issued by the Commission on September 30, 1974, approving electric rates on an interim basis pending the issuance of this order, was designed to produce additional annual electric revenues in the amount of approximately $30,287,000. The collections of revenues by Applicant under these interim electric rates during the period from October 1, 1974 to the date of this order is hereby confirmed and Applicant's bond filed with the Commission to assure refund is hereby cancelled.

m. An increase in Applicant's annual electric revenues in the amount of $55,800,000 over and above the revenue increase granted to Applicant in the Order Granting Partial and Immediate Rate Relief is just and reasonable and in accordance with the findings and conclusions contained in this Opinion and Order.

n. The rate for steam service to Monsanto Company (Trenton Channel Plant) should include a demand charge of $2.05 per lb. per year of contract demand and an energy charge of $.84 per M lbs., subject to fuel adjustment.



o. The rate for steam service to Great Lakes Steel Division, National Steel Corporation, from Applicant's Delray plant should include a demand charge of $2.46 per lb. per year of contract demand and an energy charge of $1.05 per M lbs., subject to fuel adjustment, and the rate for steam service from Applicant's River Rouge plant should include a demand charge of $3.07 per lb. per year contract demand and an energy charge of $.95 per M lbs., subject to fuel adjustment.

p. The rate for steam service to Morton Salt Company should include a demand charge of $1.92 per lb. per year of contract demand and an energy charge of $0.87 per M lbs., subject to fuel adjustment.

q. Applicant should be authorized to offer an interruptible rate to customers whose interruptible demand is greater than 10,000 kw.

r. The electric rate schedules attached hereto as Exhibit A will increase Applicant's annual electric operating revenues as authorized by this Opinion and Order and will result in just and reasonable rates and charges for the sale of electric energy and should be made effective for service rendered on and after February 4, 1975.

s. Applicant should be directed within 120 days to submit a plan for an on-line study of the feasibility of establishing time-of-day rates for all of its rate classes.

t. Applicant should be directed to immediately proceed to conduct the studies outlined in this Opinion and Order.

u. All contentions and proposed findings of the parties not herein specifically determined are hereby rejected, the Commission having given full consideration to all evidence of record and arguments made in arriving at the findings and conclusions set forth in this Opinion and Order.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company is hereby authorized to revise its rates for electric service so as to provide an increase in annual electric revenues in the amount of $55,800,000 over and above the electric rates approved by the Commission in its Order Granting Partial and Immediate Rate Relief dated September 30, 1974.

B. The rate schedules of The Detroit Edison Company, attached hereto as Exhibit A are hereby approved for electric service rendered on and after January 4, 1975.

C. The approved fuel cost adjustment clause of The Detroit Edison Company is hereby amended, as incorporated in Exhibit A attached hereto, and approved for electric services rendered on and after January 4, 1975.

D. *In conformance with Commission Order No. D-3096, Filing Procedures, The Detroit Edison Company shall promptly file with the Commission rate schedules substantially the same as those attached hereto as Exhibit A.*

E. The special contract between Applicant and Monsanto Company (Trenton Channel Plant) shall be modified as set forth in the Special Contract Revisions section of Exhibit A attached hereto.

F. The special contract between Applicant and Great Lakes Steel Division, National Steel Corporation, shall be modified as set forth in the Special Contract Revisions section of Exhibit A attached hereto.

G. The special contract between Applicant and Allied Chemical Corporation shall be modified as set forth in the Special Contract Revisions section of Exhibit A attached hereto.

H. The special contract between Applicant and Morton Salt Company shall be modified as set forth in the Special Contract Revisions section of Exhibit A attached hereto.



I. The Detroit Edison Company shall within 120 days of issuance of this order submit a plan for conducting an on-line study of the feasibility of establishing time-of-day rates for all of its rate classes.

J. The Detroit Edison Company shall proceed immediately to conduct the studies as outlined in this Opinion and Order in cooperation with the Commission Staff.

K. All contentions and proposed findings of the parties not herein specifically determined are hereby rejected, the Commission having given full consideration to all evidence of record and arguments made in arriving at the findings and conclusions set forth in this Opinion and Order.

The Commission specifically reserves jurisdiction of the matters herein contained and the authority to issue such further order or orders as the facts and circumstances may require.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ WILLIAM G. ROSENBERG
Chairman

/s/ LENTON G. SCHULTHORP
Commissioner

Commissioner William R. Ralls is issuing a separate Dissenting Opinion.

By the Commission and pursuant to
its action of February 3, 1975.

/s/ EARL B. KLOMPARENS

Its Secretary

**Excerpts from the Tariff in Case No. U-4570**

M.P.S.C. No. 7 *First Revised* Sheet No. B5

**RULES AND REGULATIONS—Continued**

B-5.1 SERVICE CONNECTIONS—All wiring upon the customer's premises shall be brought by the customer to any suitable point of service specified by the Company. Only one service connection is installed to a building or group of buildings including adjacent service areas under a single ownership except where separate service is required for disturbing use of service or where in the judgment of the Company additional services are necessary or desirable for operating reasons or because of the requirements of public safety. Detailed specifications for service connections will be furnished upon request at any customer business office.

B-5.2 CUSTOMER'S INSTALLATION—All wiring on the customer's premises shall be installed and maintained in accordance with applicable laws and the rules of the governmental authority having jurisdiction, the National Electrical Code and the rules of the Company.

The customer shall provide, free of expense to the Company, a suitable place for the meter or meters and any other supply, protective or control equipment of the Company which may be required in the delivery of the service.

B-5.3 COMPANY EQUIPMENT ON CUSTOMER'S PROPERTY—The Company will keep in repair and maintain its own property installed on the premises of the customer. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time after the termination of service from whatsoever cause.



The customer shall be responsible for the safekeeping of the Company's property and shall not permit any person except an authorized Company representative to break any seals upon, or do any work on, any meter or other apparatus of the Company located on the customer's premises.

B-5.4 ACCESS TO PREMISES—As a condition of taking service, authorized employes and agents of the Company shall have access to the customer's premises at all reasonable hours to install, inspect, read, repair or remove its meters, and to install, operate and maintain other Company property, and to inspect and determine the connected electrical load. Authorized employes and agents shall carry identification furnished by the Company and shall display it upon request. Failure to provide access for any of the above reasons may result in termination of service.

B-5.5 LAMP SUPPLY: *Incandescent lamps will be furnished without extra charge:*

*(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.*

*(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under the applicable rate.*

Issued: February 3, 1975
By: R. W. Hartwell
Senior Executive Vice President
Finance and Corporate Affairs
2000 Second Ave., Detroit, Michigan 48226

*Effective on service rendered on and after February 4, 1975 under authority of Order of the Michigan Public Service Commission dated February 3, 1975 in Case U-4570.*

M.P.S.C. No. 7 *Sixth Revised* Sheet No. D1

## DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire. Where available, and the demand justifies, three-phase, four-wire, Y connected service may be had at 120/208 volts nominally.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Service Charge:
$2.40 per customer per month plus,

Energy Charge:
2.82¢ per KWh for all KWh, plus fuel adjustment.

FUEL ADJUSTMENT: See Schedule Designation B-4.6.

MINIMUM CHARGE: $2.40 per month.

LAMP SUPPLY: *See Schedule Designation B-5.5.*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

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M.P.S.C. *Sixth Revised* Sheet No. D2

## DOMESTIC SPACE HEATING RATE

AVAILABILITY OF SERVICE: Available on an optional basis for customers desiring service for all domestic purposes only to a single occupancy or dwelling unit including farm dwellings in which all of the space heating is supplied by electric service through the same meter and is installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire. Where available, and the demand justifies, three-phase, four-wire, Y connected service may be had at 120/208 volts nominally.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Service Charge:
$2.40 per customer per month plus,

Energy Charge:
2.82¢ per KWh for all KWh, plus fuel adjustment, except that during the billing months of November through May, usage in excess of 1,000 KWh per month shall be billed at 2.25¢ per KWh, plus fuel adjustment.

FUEL ADJUSTMENT: See Schedule Designation B-4.6.

MINIMUM CHARGE: $2.40 per month.

LAMP SUPPLY: *See Schedule Designation B-5.5.*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

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M.P.S.C. No 7 *Fifth Revised* Sheet No. D3

## GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate, nor to installations having a demand of over 1000 kilowatts, including applicable riders, not taking service on this rate prior to August 19, 1972.

The 1000 kilowatt limitation may be waived for the following cases:

1. For temporary installations where the customer pays the "in and out" charges.
2. For Primary Supply installations during construction while the building is under jurisdiction of the contractor.

Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single, phase, nominally at 120/240 volts, three-wire; or three phase four-wire, Y connected at 120/208 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Service Charge:

$3.50 per customer per month plus.

Energy Charge:

3.50¢ per kilowatthour plus fuel adjustment for the first 10,000 KWh.

3.00¢ per kilowatthour plus fuel adjustment for the excess KWh.

FUEL ADJUSTMENT: See Schedule Designation B-4.6.

LATE PAYMENT CHARGE: See Schedule Designation B-2.10.

MINIMUM CHARGE: $3.50 per month.

LAMP SUPPLY: *See Schedule Designation B-5.5(2).*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, or where the investment to serve is out of proportion to the revenue derived therefrom, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

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